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RUEAIIA/CIA WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEAWJA/DEPT OF JUSTICE WASHINGTON DC  
RUEHNT/AMEMBASSY TASHKENT

UNCLAS SECTION 01 OF 02 TASHKENT 000197

SIPDIS  
STATE FOR INL ANDREW BUHLER  
DEPT OF JUSTICE FOR CATHERINE NEWCOMBE  
TREASURY FOR ANNE WALLWORK  
MOSCOW FOR PETE PRAHER

E.O. 12958: N/A  
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SUBJECT: Uzbekistan Still Seems on Track with Money Laundering

#### Reforms

SENSITIVE BUT UNCLASSIFIED -- PLEASE PROTECT ACCORDINGLY

¶1. (SBU) Summary: The Government of Uzbekistan is currently in the midst of a process to enact legislative changes that would bring its anti-money laundering and countering the finance of terrorism (AML/CFT) regime into compliance with international standards. The Uzbeks are likely on track to fulfill the commitments they made to the Financial Action Task Force, which gave the GOU 180 days to restore its AML/CFT regime. The World Bank and United Nations Office on Drugs and Crime (UNODC) had a productive technical assistance visit to Tashkent in January, but we have been unable to obtain a draft copy of key legislation that would enable us to facilitate agreed-upon U.S. technical assistance. The bureaucratic hassles and inter-agency stalling are par for the course in our dealings with Uzbekistan and, as frustrating as it is, we do not view this as a sign the reform measures will fall through. The Uzbeks are well aware that the international community is aligned against them on this issue and that strong countermeasures by FATF could seriously affect the local economy. End summary.

#### Promises to FATF

¶2. (SBU) Following up a November 24-25 assessment visit by FATF and the Eurasian Group (EAG) to Uzbekistan, FATF President Antonio Gustavo Rodrigues sent a letter on December 8, 2008 to First Deputy Prime Minister Rustam Azimov in which Rodrigues took note of Azimov's remarks confirming Uzbekistan's commitment to correcting deficiencies in its AML/CTF regime within six months. Rodrigues also acknowledged that Uzbekistan "would welcome and fund a technical advisor from the FATF or a FATF country to assist in legislative drafting." In a response to the letter, Azimov confirmed this and also noted that a working group had been established to coordinate the initiative to implement legislative changes, regardless of whether technical assistance was available or not.

#### IOs Provide Technical Assistance

¶3. (SBU) Post subsequently made multiple unsuccessful efforts with several ministries to obtain a copy of the draft law; however, a joint World Bank, UNODC, and IMF technical assistance mission was conducted to Tashkent on January 12-16. Klaudio Stroligo of the World Bank/UNODC and Giuseppe Lombardo from the IMF reported that their numerous meetings were productive and Uzbek officials did share a copy of the draft legislation with them. On January 16, Uzbek officials informed the embassy that they wanted to incorporate feedback from the World Bank/UNODC/IMF technical assistance mission and would hold off on sharing the draft with the U.S. until that process was complete. (Comment: The Uzbeks consider international organizations to be more neutral and less likely to dole out criticism, and this may be why the visiting team was given a draft of the law and we were not. In any case, it is a good sign that the Uzbeks are engaging with the international community on the issue. End comment.)

#### High-Level Written Request

¶4. (SBU) On January 26, after more than a month of efforts to pry loose a copy of the draft law, Ambassador Norland sent a letter to First Deputy Prime Minister Azimov under cover of a diplomatic note reiterating our request for a copy of the draft law in order to proceed with previously agreed upon technical assistance from the U.S. (Note: A scanned copy of the English and Russian translations was forwarded to the desk. End note.) As of February 17, despite the letter, we have received no response or information. The MFA Americas Desk confirmed to poloff by phone most recently on February 13 that the request remains "under consideration by other parties."

#### Comment:

¶5. (SBU) The vague reference to other parties usually means that the National Security Service and/or the Presidential Apparatus are holding up the information, but this may just be an ingrained knee-jerk reaction to sharing anything, let alone a document that

TASHKENT 00000197 002.2 OF 002

lawmakers have not yet seen. We do not take it personally, and we believe the strong message from the international community, as delivered through FATF and EAG, has convinced the Uzbeks to get the job done. We know for a fact that the draft law was written and we believe it was duly submitted to the Cabinet of Ministers (which matters) in advance of token submission to the lower house of the parliament. The legislation will not be in place for the February FATF plenary session, as the Central Bank had optimistically indicated, but the Uzbeks still have time before the six-month

period elapses. Despite two months of fruitless efforts to obtain information, eventual engagement on the AML/CFT issue would add much-needed depth to our cooperation on rule of law issues. By extending a hand to help the Uzbeks out of an uncomfortable situation with FATF, we are demonstrating our commitment to bringing Uzbekistan into the mainstream, which should open more doors. This makes it worth the prolonged wait to get a copy of the draft law and to encourage the realization of technical assistance.

NORLAND

To view the entire SMART message, go to URL [http://repository.state.sgov.gov/\\_layouts/OSS\\_SearchResults.aspx?k=messageid:c9991590-5d33-4c77-99](http://repository.state.sgov.gov/_layouts/OSS_SearchResults.aspx?k=messageid:c9991590-5d33-4c77-99)